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Demystifying Your ERP Modernization Journey: A Guide to Migrating to SAP S/4HANA on Azure

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Even if you have already made some significant SAP decisions, there are important choices still to be made. Let us help you unlock those dilemmas.

I know where I'm going...

- SAP S/4HANA
- Microsoft Azure
- RISE with SAP

Only **3%** of interviewed SAP customers decided to stay with their current SAP ERP system "for the foreseeable future".*

But I'm not sure about my...

- Migration type
- Business case
- Security
- Data
- SAP license options
- Infrastructure setup
- Customizations

PEER ADVICE

Spend time upfront to educate yourself and the team

> We spend a lot of time understanding the options in phase 0 so that we can do the design ourselves and we can challenge our partners.
>
> *IT Director Global SAP Chemical solutions provider*

Understanding and navigating these dilemmas successfully is essential to an effective SAP ERP modernization journey.

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*Source: IDC HANA Core Modernization Survey, January 2022 (n=700)

There are two possible SAP modernization approaches. Do you know which one you're on, and what it means for your business?

Island Approach

- Assesses and prioritizes applications **specifically for the S/4HANA migration**
- Conducts the migration project in **small isolated partitions**.

Holistic Approach

- Assesses the **whole application landscape**
- Prepares a holistic migration project
- Includes a **detailed roadmap for each application** to future-proof your environment.

PEER ADVICE

It is crucial to take the time to decide what is the best approach for your organization

> It is a golden opportunity to revise the whole environment, but we have developed very complex application landscapes, we grew through multiple M&As and are operating in 38 countries and 200 locations, so with a Big Bang approach there's also a big risk; we are choosing something in between.
>
> *Head of SAP Business Applications, Manufacturing organization*

Key questions to ask yourself...

1. **Have you considered which approach is best for your organization?**
2. **Do you know the risks and benefits each approach offers for your organization?**

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The clean core is becoming the norm when migrating to SAP S/4HANA, but which path will you take to get there?

Migrate then clean

This allows you to **maintain your existing customizations** during migration.

VS.

Migrate to clean core

This allows you to **bring only essential master data, customizations, and processes** to your new S/4HANA deployment.

PEER ADVICE

A phased approach

> Before migrating to the cloud with RISE, we had moved to S4/HANA on premises. That was a greenfield migration so we had already done a large clean up in terms of how the application should look like and that helped.
>
> *IT Director, Professional Services organization*

Key questions to ask yourself...

1. **Have you identified the right migration plan for your customizations and data?**
2. **Do you know the risks and benefits each approach offers for your organization?**
3. **Have you identified what role customizations will play in your new ERP?**

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Success in migrating to SAP S/4HANA on Azure hinges on navigating the numerous choices and making timely decisions.

SAP decision makers have a lot of big dilemmas to navigate, around migration approach, customizations, security, data, SAP licensing, and skills. These choices will shape the nature of your ERP system, potentially for years to come. Exploring them as early as possible in the process is essential.

For a well-though out, successful migration, you should consider:

Starting now

Applying a pragmatic approach to building a business case

Choosing the right services partner

Cleaning up and re-thinking business processes

Evaluating what is and is not included in SAP with RISE

Emphasizing change management

PEER ADVICE

Know your outcome *before* you start your journey

> You should know what your preferred S/4HANA outcome is in the beginning, and know it from multiple angles, with financials being a very important angle.
>
> *Senior IT VP Manufacturing organization*

Find out more in IDC's ***Demystifying Your ERP Modernization Journey: A Guide to Migrating to SAP S/4HANA on Azure*** InfoBrief March 2024 | IDC #EUR251826824

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